

Message Text

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12

ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 FEA-01 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 INRE-00 ERDA-05 AID-05 CEA-01

CIEP-01 COME-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSC-05 OMB-01 PM-04 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 XMB-02 /107 W
----- 055612

O R 090935Z AUG 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 6093

INFO AMEMBASSY LONDON

AMEMBASSY TOKYO

C O N F I D E N T I A L JAKARTA 10422

E.O. 11652: GDS

TAGS: ENRG, EFIN, ID

SUBJECT: INDONESIAN-JAPANESE LNG TRANSPORTATION

REF: JAKARTA 10390

1. SUBSEQUENT TO DISPATCH OF REFTTEL, AMBASSADOR RECEIVED TELEPHONE CALL FROM MINES MIN SADLI ON MORNING OF AUGUST 9 FOR CONVERSATION ON LNG TANKERS. MINISTER INDICATED HE HAD BEEN ADVISED BY HIS STAFF THAT SITUATION WARRANTED THIS DIRECT APPROACH.

2. SADLI SAID HE WANTED TO SEEK OUR INTERVENTION IN TWO AREAS: 1) LNG FREIGHT RATES AND 2) DELIVERY DATES ON GD TANKERS. WITH REGARD TO FIRST POINT, HE INDICATED THAT BURMAH TANKERS MUST BE PERSUADED TO LOWER ITS CURRENT FREIGHT RATE OF \$.367/MMBTU TO MEET OR BEAT ALTERNATE GOTAAS LARSEN/JAPANESE OFFER OF \$.351/MMBTU. MINISTER SAID THAT IF BURMAH CAN COME DOWN THIS WOULD BE HELPFUL IN RESPONDING TO JAPANESE CHARGES THAT PERTAMINA HAD NOT
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ARRANGED MOST "ECONOMICAL" LNG TRANSPORTATION AS IT HAD

AGREED TO DO UNDER TERMS OF SEPTEMBER 23, 1973 TRANSPORT AGREEMENT. OTHER POINT REFERRED TO GENERAL DYNAMICS' ABILITY TO PROVIDE "SECURE" TRANSPORTATION ON DATES REQUIRED. SADLI SAID WIJARSO, WHO IS LEAVING END OF WEEK FOR TOKYO, NEEDS "AMMUNITION" IN FORM OF POSITIVE REPORTS FROM MARAD THAT GENERAL DYNAMICS HAS MASTERED WELDING OF SPHERES AND THAT TANKERS CAN BE DELIVERED BY DEADLINE. WITHOUT ANY FAVORABLE INFORMATION, HE WILL BE HARDPRESSED TO RESPOND EFFECTIVELY TO JAPANESE OBJECTIONS.

3. AMBASSADOR THANKED MINISTER FOR THIS INFORMATION AND SAID WE WOULD PASS MESSAGE ON TO WASHINGTON FOR MARAD ACTION. SADLI WAS ADVISED THAT WE HAD ALREADY MADE AVAILABLE TO WIJARSO INFORMATION ON APPROVAL OF VERTICAL ERECTION SEAMS; WE HAD ALSO ASKED MARAD TO PASS ADDITIONAL INFORMATION TO WIJARSO VIA EMBASSY.

4. COMMENT: TENOR OF SADLI'S REMARKS INDICATES THAT WE ARE APPROACHING HOME STRETCH ON LNG TANKERS. IN ANTICIPATION OF MY MEETING LATER THIS WEEK WITH WIJARSO, IT WOULD BE HELPFUL TO KNOW WHERE WE STAND ON EACH OF THE TWO POINTS RAISED BY SADLI IN PARA TWO.

NEWSOM

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Margaret P. Grafeld
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